

**SPECIAL STATE CREDIT UNION BOARD MEETING
HELD BY CONFERENCE CALL
OFFICE OF THE COMMISSIONER
DEPARTMENT OF FINANCIAL INSTITUTIONS
2000 SCHAFFER STREET, SUITE G
BISMARCK, NORTH DAKOTA**

April 24, 2012

A special meeting of the State Credit Union Board was called to order by Chairman Entringer in the Office of the Commissioner, Department of Financial Institutions, 2000 Schaffer Street, Suite G, Bismarck, North Dakota, at 9:28 a.m., Tuesday, April 24, 2012.

MEMBERS PRESENT: Robert J. Entringer, Chairman (*Office*)
Paul Brucker, Member (*Office*)
Steve Tonneson, Member (*Minot*)
Darlene Watne, Member (*Lake*)

MEMBER ABSENT: Melanie Stillwell, Member

ALSO PRESENT: Aaron Webb, Secretary (*Office*)
Janilyn Murtha, Assistant Attorney General (*Office*)
Corey Krebs, Chief Examiner – Credit Unions (*Watford City*)
Taylor Lee, Financial Institutions Examiner (*Office*)
Greg Tschider (*Office*)
Jeff Olson, CU Association of the Dakotas (*Office*)
Jim Schaefbauer (*Fargo*)

**NORIDIAN EMPLOYEES CREDIT UNION, FARGO – APPLICATION TO
EXPAND ITS FIELD OF MEMBERSHIP**

Assistant Commissioner Webb reviewed his Memorandum dated April 16, 2012, indicating the Department received an application on February 24, 2012, from Noridian Employees Credit Union (Noridian) to expand its field of membership. Assistant Commissioner Webb indicated Noridian's current field of membership includes: "employees of Noridian Mutual Insurance Company and its

affiliated companies”; and Noridian is proposing to expand its field of membership to: “organizations and persons living within a 75 mile radius of the home office of the credit union”. Assistant Commissioner Webb indicated the main office is currently located at 4510 13th Ave SW, Fargo, ND.

Assistant Commissioner Webb reviewed Chapter 13-03-14 of the North Dakota Administrative Code entitled Field of Membership, indicating a North Dakota state-chartered credit union may expand its field of membership subject to approval by the State Credit Union Board and in accordance with the provisions of this Chapter and North Dakota Century Code Chapter 6-06.

Assistant Commissioner Webb indicated the Department has not received any letters or comments from other credit unions in the proposed expanded area indicating a negative impact, or opposition to the application.

Assistant Commissioner Webb noted that Noridian’s application provided: “Our sponsor has directed our credit union to become self-sufficient and we will need to grow our membership and service provided in order to generate income. Currently, when an employee leaves they need to close their account. Our sponsor has a retiree newsletter where we will be able to welcome many of those members back with this change.”

Assistant Commissioner Webb reported the Department received no indication that Noridian will have any issues succeeding in the expansion of their field of membership.

Assistant Commissioner Webb indicated Noridian’s Board of Directors approved the application to expand the field of membership on February 2, 2012.

Assistant Commissioner Webb indicated that Articles of Amendment to the Bylaws were received regarding Article II, Section 2, Membership, and were received with the application to expand the field of membership on February 24, 2012.

Assistant Commissioner Webb indicated notice of the application was published in Cooperstown Griggs County Courier, Fargo Forum, Finley Steel County Press, Grand Forks Herald, LaMoure Chronicle, Lisbon Ransom County Gazette, Mayville Traill County Tribune, Milnor Sargent County Teller, Valley City Times-Record, and Wahpeton Daily News. Assistant Commissioner Webb indicated the publication noted the application would be considered at 9:30 a.m. on

April 24, 2012, and that the Department also notifies all credit unions through its monthly Bulletin.

Chairman Entringer explained the Department's monthly Bulletin is provided to credit unions, banks, and any interested parties, as well as available on the Department's website.

Chairman Entringer asked Board President Schaefbauer if he has received any comments regarding Noridian's application to expand its field of membership, and Board President Schaefbauer indicated he has not.

Chairman Entringer indicated this application for Noridian to expand its field of membership is permissible under North Dakota law.

Board President Schaefbauer indicated Noridian is an employee-based credit union and the sponsoring company, Noridian Mutual Insurance Company, requested that Noridian consider becoming self-sufficient, which was mandated one year later. Board President Schaefbauer indicated the Board felt Noridian was restricted from growing based on its field of membership, in that when employees leave the organization they have to close their accounts. Board President Schaefbauer indicated a membership survey was conducted to get feedback on options of additional fees or expanding the field of membership.

Member Brucker indicated he is unaware of any credit union where a person who retires has to quit the credit union, and asked Board President Schaefbauer how that came about. Board President Schaefbauer indicated that is the way the field of membership was drawn out in the bylaws, that once a person quits he/she is no longer employed with the company.

Chairman Entringer explained that Noridian will essentially have to prove it will be profitable, which is shown in the projections provided with the application.

Chairman Entringer indicated the Articles of Amendment for the Bylaws suggest the change that membership in the credit union is limited to organizations and persons living within a 75 mile radius of the home office of the credit union.

Assistant Commissioner Webb indicated the Department recommends approval of Noridian's application to expand its field of membership.

It was moved by Member Tonneson, seconded by Member Brucker, and carried by a vote of 4 to 0, with Member Stillwell absent, to approve the application by Noridian Employees Credit Union, Fargo, to expand its field of membership.

Board President Schaefbauer left the conference call at this time.

DISCUSSION ITEM – UPDATE ON GLEN ULLIN CREDIT UNION

Chairman Entringer indicated that Greg Tschider will update the Board regarding Glen Ullin Credit Union (Glen Ullin); however, cautioned that the Board is in open session. Chairman Entringer indicated there is an ongoing investigation regarding Glen Ullin; however, any discussion on the investigation would have to take place in the executive session.

Mr. Tschider indicated the issue at Glen Ullin impacted members, and that some of these members talked to media indicating there was money missing out of their accounts. Mr. Tschider indicated the issue has been resolved; every member's account has been adjusted to what appears to be the correct and acceptable amount as of the end of March 2012.

Mr. Tschider indicated people in the Glen Ullin area are apparently still talking and he has received another call from media to confirm that everything has been taken care of and that no members had lost money, which has been done.

Member Tonneson questioned in moving forward if everything has been resolved correctly. Chairman Entringer and Mr. Tschider both indicated the members are satisfied. Mr. Tschider indicated he sent letters to every member that had been impacted and did not receive any negative responses back.

Mr. Tschider indicated the main media person contacted him and Mr. Tschider asked him to follow up with an article explaining the situation has been favorably resolved. Mr. Tschider indicated he was assured a follow up article would be published.

Chairman Entringer indicated since this is an ongoing investigation, the Department will provide ongoing updates.

JUNE MEETING

Chairman Entringer indicated the June 1, 2012, meeting will be rescheduled for either June 15 or 22, and asked the members to check their calendars as to which date would work for them.

Member Watne indicated her term on the State Credit Union Board ends as of June 30, 2012, and that she will not seek serving another term. Member Watne indicated she has learned so much serving on the Board, as well as it being a wonderful experience.

Member Watne indicated either June 15 or 22 would be fine for her. Member Tonneson indicated he would be out of town on June 15; however, June 22 would work for him.

Chairman Entringer indicated at this time he anticipates the meeting will be held June 22, 2012, at 9:30 a.m., by conference call.

The meeting adjourned at 9:45 a.m.

Robert J. Entringer, Chairman

Aaron K. Webb, Secretary